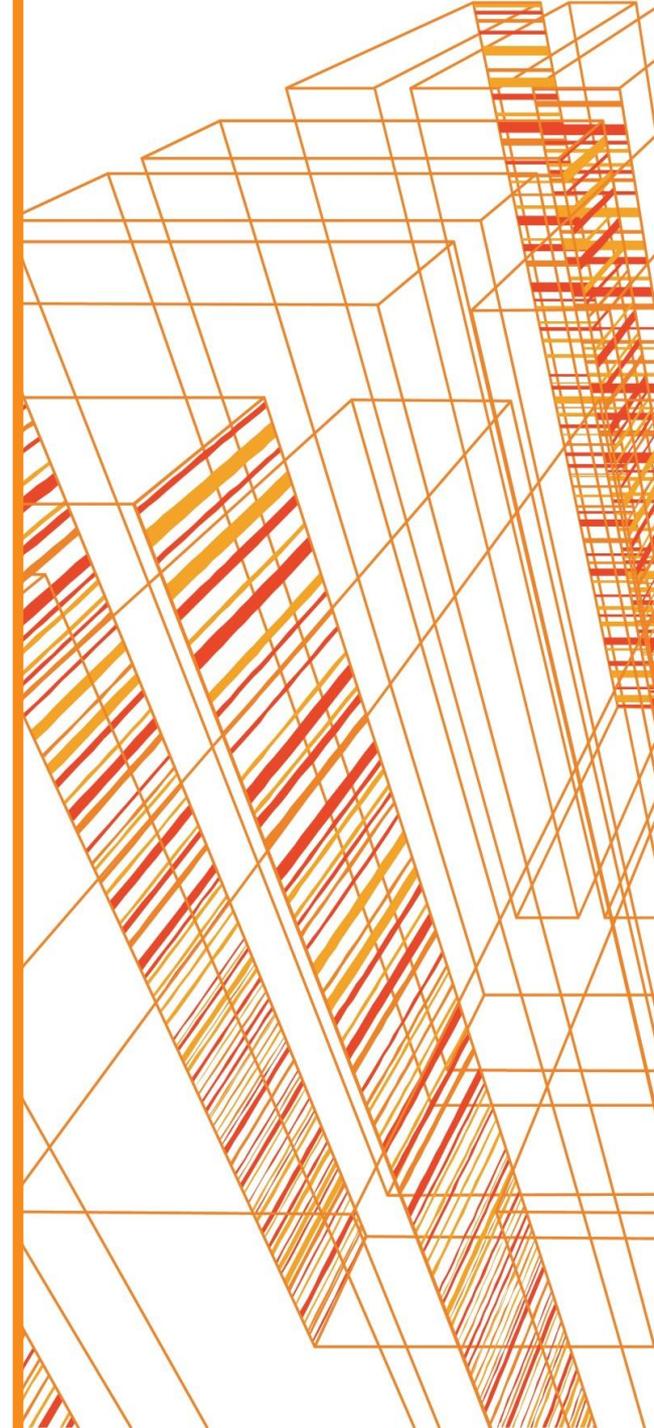


Ti-V RESOURCE PROJECT

SYNOPSIS FOR THE SALE OF 44 MILLION TONS Ti-V RESOURCE

EMALAHLENI (WITBANK), SOUTH AFRICA

April 2016





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Introduction

- ❑ Fe-Ti-V Resource (“Resource”) includes:
 - ❑ Iron
 - ❑ Titanium , Vanadium
 - ❑ Slag
- ❑ Currently V containing iron is being mined from the resource however the grade is variable due to changes in tapping practice and operator discipline when the slag was originally tipped.
- ❑ Classified as hazardous, H2 due to Mn levels exceeding TCLP and ARLP limits, but this is a function of the test method rather than the material and therefore could be reclassified.
- ❑ Resource covers 54 hectares with a height of 64 metres.
- ❑ Estimated 44 million tons of the Resource.
- ❑ EVRAZ Highveld holds a patent for the extraction of Ti and other elements from this resource.
- ❑ Good economics for the extraction of Ti and V as well as potential upside from other elements.
- ❑ Two major income streams with a potential for others.
- ❑ Located eMalahleni (Witbank), Mpumalanga Province, South Africa.



Ownership and Origin of the Resource

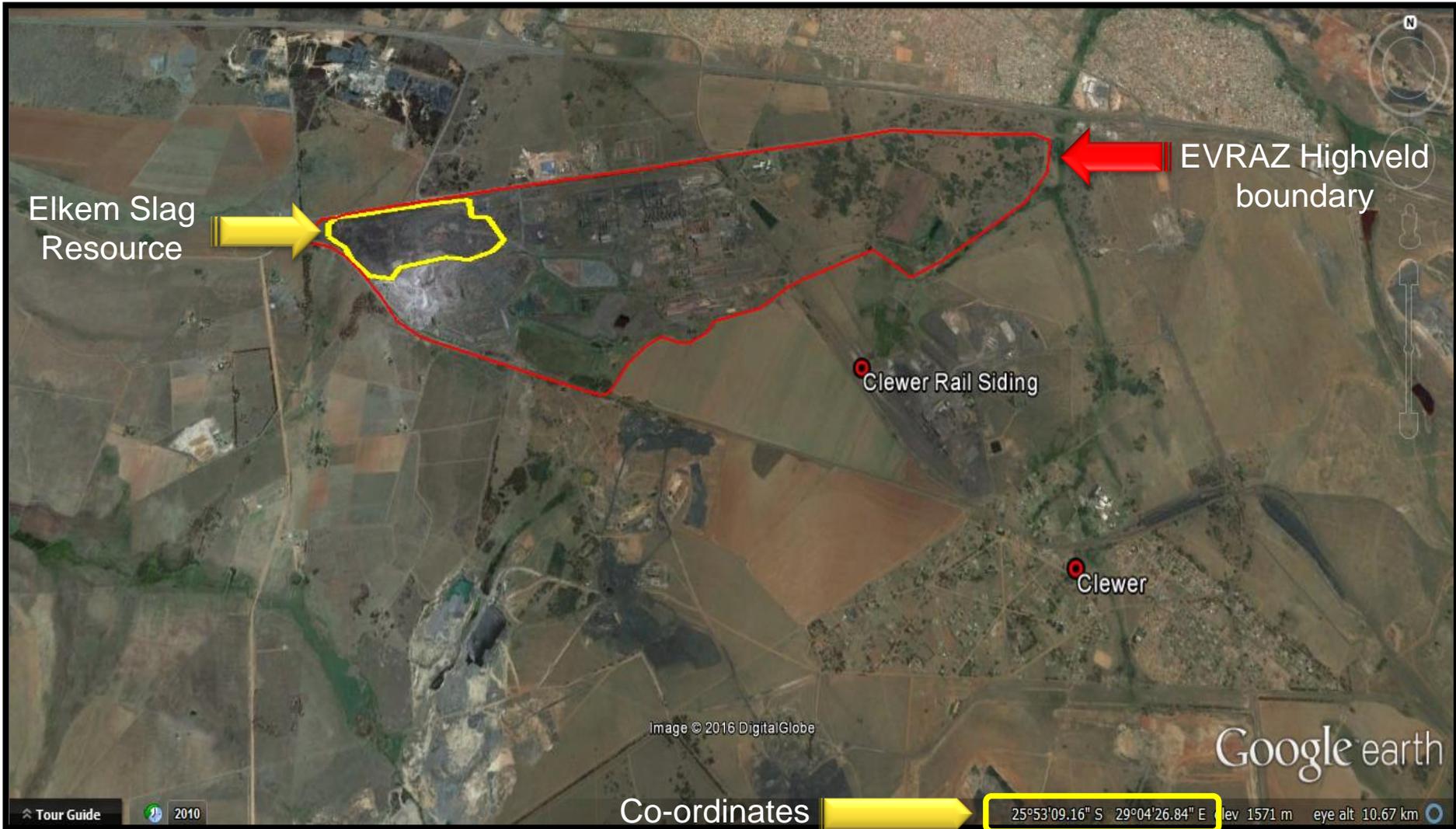
Ownership

- ❑ EVRAZ Highveld Steel and Vanadium Limited (Evraz Highveld), currently in business rescue has beneficial ownership and legal responsibility for the Resource.

Origin

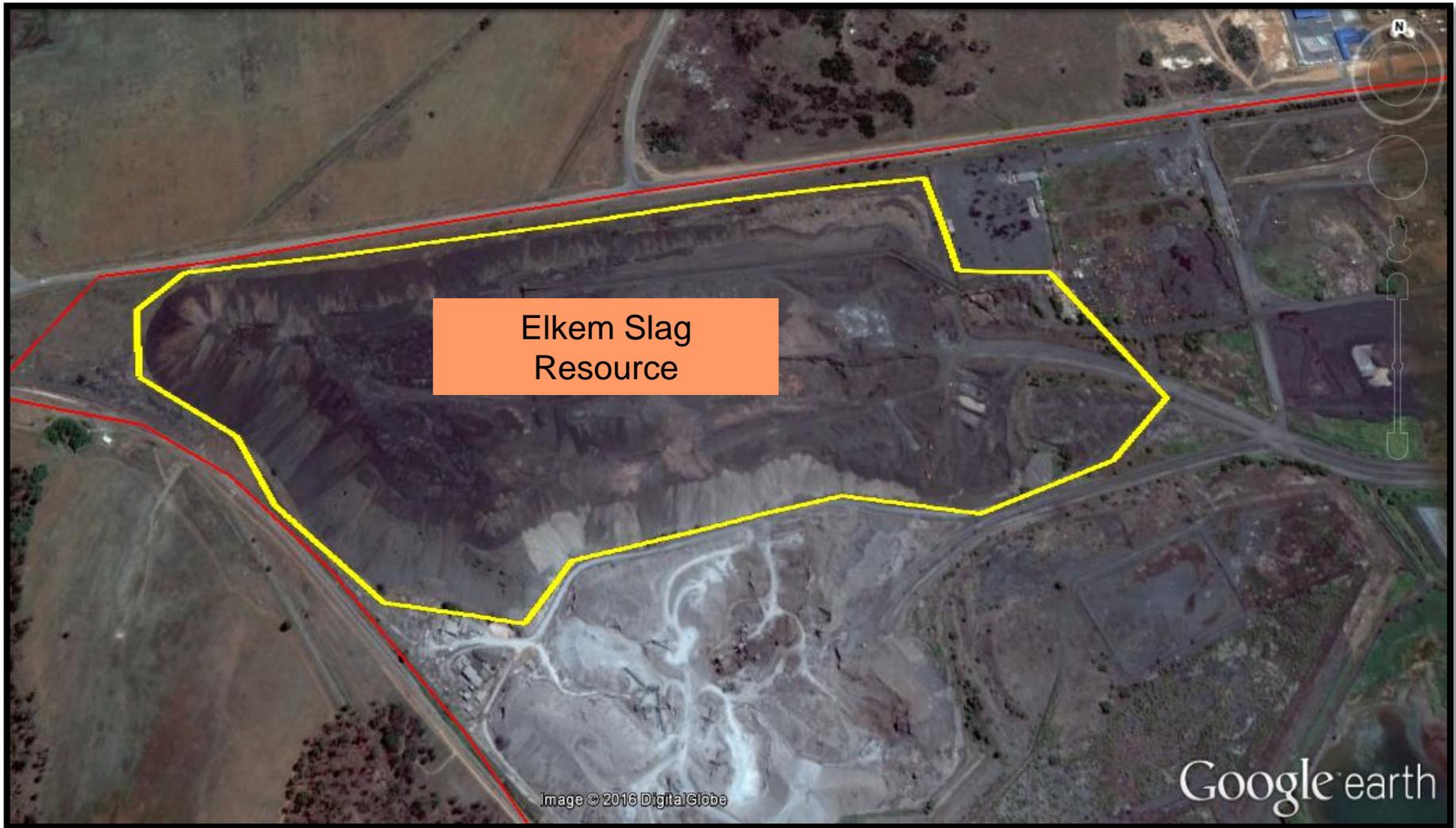
- ❑ The Resource arose from the processing of a titaniferous vanadium containing magnetite ore into vanadium containing iron that was further beneficiated into Steel and Vanadium products.
- ❑ The ore was crushed and washed at a nearby mine and, transported to the iron smelting plant. The ore was then processed through the following unit operations:
 1. Raw material blending where the ore was blended with coal, silica quartz, and dolomite.
 2. Pre-reduction kilns, where the raw material was preheated and the ore pre reduced.
 3. Electric arc furnaces, where the mix was smelted producing a metal and slag phase.
 4. Slag separation during tapping.
 5. Entrapped iron recovery from solid slag by magnetic separation.
 6. The resultant slag (Ti-V Resource) was then stockpiled.
- ❑ Slag has historically been deposited on this stockpile since 1965 and the stockpile consists of a mixture of slag from which the metallic fraction has been separated and a portion of the stockpile that has not yet been reworked.

Location of Resource Stockpile





Aerial View of Ti-V Resource Stockpile





Pictures of the resource





Analysis of the Ti-V Resource

- Below is an average analysis of the Resource.. The particle size distribution is not reported as it has a wide range of sizes depending on the process that the slag has been subjected to. This could be bulk or crushed. The crushed size is typically minus 100mm.

TiO2	V2O5	SiO2	CaO	MgO	Al2O3	FeO	S
32.26	0.99	18.85	17.02	12.96	15.37	3.00	0.20



Opportunity

Fe units - Pig Iron - Steel

- ❑ Recovered Iron – sold to EAF operators and scrap merchants.
- ❑ Long-term demand for steel expected to grow with China and emerging markets leading the way, including the African continent.

Titanium Dioxide

- ❑ TiO₂ pigments account for significant portion of mineral sales.
- ❑ Pigments into paint industry, paper, plastics and cosmetics.
- ❑ Demand expected to increase significantly beyond 2015.

Vanadium Pentoxide

- ❑ Sound economics for V₂O₅ recovery.
- ❑ Upside on FeV production at low capital expenditure which is the preferred method to strengthen steel.
- ❑ Further upside as V is used in catalysts.
- ❑ Demand emerging from new generation vanadium redox batteries.



Infrastructure Highlights

- ❑ Rail siding of Clewer is approximately 2 km from location of resource and there is a direct rail link to the sliding.

- ❑ Two export port options:
 - ❑ Rail - Clewer to Maputo (Mozambique)

 - ❑ Rail - Clewer to Richards Bay (South Africa)



Environmental compliance

- The prospective bidder must determine all environmental legal responsibilities, in line with the prevailing legislation as may be amended from time to time, relating to the processes and activities to be undertaken by the prospective bidder and, if successful, to ensure full environmental compliance with such identified responsibilities. All planned processes and activities including any identified environmental responsibilities in relation thereto, will be made clear to Highveld in writing, as part of the bid process, to ensure a transparent relationship and agreement on the environmental compliance requirements. The prospective bidder must lead any discussions with the relevant environmental authorities and obtain the required environmental authorisations relating to the various environmental compliance requirements. The prospective bidder will carry all costs associated with such authorisations and discussions. Any supporting information required from Highveld relating to environmental concerns and compliance requirements must be identified by the prospective bidder and, if available, will henceforth be supplied by Highveld and not be unreasonably withheld, to support the drive of the prospective bidder towards environmental compliance.